

Page Denied

Next 1 Page(s) In Document Denied

Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

APRIL/MAY 1984 *

CENTRAL AMERICAN MONTHLY REPORT #9 [redacted]

25X1

Perspective

Napoleon Duarte's election as President of El Salvador should carry with it opportunities for moderates to exert greater influence over national policy, to redefine and improve the executive-legislative relationship, and to exploit increasingly pronounced divisions within the insurgent alliance. Nevertheless, Duarte will have to deal with a constellation of forces that at best is uneasy with his reformist tendencies and at worst will actively seek his ouster. Thus, his major initial challenge will be to lessen the anxieties of some of these forces and thereby reduce the opportunities for the more incorrigible to foment unrest. [redacted]

25X1

Duarte's relatively narrow victory over extreme rightist Roberto D'Aubuisson increases the chances that he will harness his ideological rigidity and impetuosity and take a conciliatory approach to the moderate right. In this, his relations with the military will be key, [redacted]

[redacted] he probably will press for these changes only after close consultation with the high command. [redacted]

25X1

25X1

* This memorandum was prepared by the Central America Branch, ALA. It was coordinated with the Directorate of Operations. Publication of this issue, which normally would have appeared in early May, was delayed to include analysis of key election returns from El Salvador and Panama. The next issue will be published at the end of June. Questions and comments are welcome and should be addressed to Chief, Middle America-Caribbean Division, ALA, [redacted]

25X1

ALA-M-84-10046C

25X1

Copy 20 of 69

25X1

25X1

25X1

The US Embassy, meanwhile, has corrected a misquote of a statement by Duarte following the 6 May balloting in which he was alleged to have publicly claimed that military harassment of the Christian Democrats had reduced his margin of victory. The Embassy notes that Duarte did not refer to military personnel in his remarks, but rather to D'Aubuisson's party. We believe that most military elements, while somewhat uneasy with their first honestly and directly elected commander-in-chief, are resigned to a new relationship with civil authority. To preserve this relationship, however, Duarte will have to take a consultative approach to any proposals for reform of the security apparatus, while rejecting guerrilla demands for power sharing and reorganization of the military. [REDACTED]

25X1

While these initial signs of improved relations between Duarte and the armed forces are encouraging, other signals are less so. Over the past few months, Duarte has done little to allay the anxieties of the private sector concerning his policies, according to the US Embassy. Moreover, he has appeared aloof from the National Conciliation Party, even after its leaders had refused to endorse D'Aubuisson in the runoff, thus virtually guaranteeing a Christian Democratic victory. With his party holding only 24 of 60 seats in the Assembly, Duarte as President will require the support of the Conciliationists and other moderate rightist elements if he is to avoid legislative paralysis and create a more viable centrist political force. [REDACTED]

25X1

His chief antagonist in such an effort will be D'Aubuisson, who appears increasingly bitter, according to the Embassy, and whose backers view their political problems in terms of a vast conspiracy led by US officials, the Central Election Council, and local labor unions. Embassy reporting indicates that extreme rightists believe the National Conciliationists threw the election to Duarte at US behest. To the extent the Conciliationists did support Duarte, we judge their motivation reflects fear of jeopardizing US military and economic assistance as well as their desire to supplant D'Aubuisson's party as the major opposition force in the 1985 Legislative Assembly elections. [REDACTED]

25X1

D'Aubuisson probably is also anxious over his party's failure to pick up additional political strength since the 1982 Constituent Assembly election. While D'Aubuisson received 46 percent in the 6 May balloting, he attracted only 29 percent in round one—virtually the same as he received two years ago and an ominous sign for the extreme right in terms of its ability to broaden its appeal. Rather than prompting D'Aubuisson stalwarts to examine their party's organizational and ideological shortcomings, however, such signs are likely to reinforce the party's martyr-syndrome and cause it to resume its obstructionist role in the Assembly. [REDACTED]

25X1

25X1

25X1

D'Aubuisson, as the leader of the opposition, will scrutinize any overture the Duarte government makes regarding dialogue with the insurgents. We believe that he, in an effort to generate fears concerning formal negotiations leading to power-sharing, will constantly remind the body politic of the President-elect's apparent reluctance to deliver harsh rhetorical attacks against the guerrillas during the election campaign.

25X1

Doubtless aware of this danger, Duarte nevertheless may see the guerrillas' failure to offer a coordinated strategy against the elections as another sign of their growing—and exploitable—disunity.

25X1

at least some non-Marxist political leaders have considered participation in the electoral process, and Duarte is likely to see the 1985 Assembly election as a possible means of further eroding leftist unity.

25X1

Meanwhile, however, the insurgent alliance will continue its efforts to discredit the election, a tactic currently aided by D'Aubuisson's last minute attempt to cast doubt on the outcome by alleging voting irregularities. Nevertheless, even hardline guerrilla elements are likely to be worried by the strong popular repudiation of their cause and its potential for weakening support for the insurgents abroad, particularly in Western Europe. Of particular concern to the guerrillas may be indications that, as in the 1982 elections, attempts to intimidate the populace are counterproductive. This was particularly pronounced in the eastern department of San Miguel, where, according to US military officials, terrorist attacks following the 25 March balloting were designed to inhibit the vote in the second round. The guerrilla tactic apparently had the opposite effect, however, as the turnout on 6 May in San Miguel was 15 percent higher than in the first round of balloting.

25X1

* * *

EL SALVADOR

Political

National attention throughout April and May focused on the runoff election between Christian Democrat Napoleon Duarte and extreme rightist Roberto D'Aubuisson. Final election figures for the 6 May contest, as reported by the US

25X1

25X1

25X1

[REDACTED]

Embassy, give Duarte 53.6 percent of the vote with 1.4 million valid ballots cast. According to Embassy reporting, D'Aubuisson's backers are bitter at the outcome, particularly as their candidate carried 10 of the country's 14 departments, though losing the population centers to Duarte by substantial margins. [REDACTED]

25X1

Throughout the campaign, Duarte did little to placate the right over the policies his administration would follow. For example, he refrained from strong criticism of the guerrillas, from publicly promising to rule out some form of power-sharing with the insurgent alliance, or from specifically addressing the concerns of the private sector. Duarte's mercurial personality and reformist tendencies will cause the military to scrutinize his actions carefully. [REDACTED]

25X1

25X1

25X1

[REDACTED] Furthermore, the Embassy says the private sector has resigned itself to a Duarte government, although some business leaders are predicting a two-month hiatus in investment until the Christian Democrats' policies become clear. There are no indications that businessmen plan to leave the country as a result of Duarte's victory, according to the Embassy. [REDACTED]

25X1

Military

Military activity was at a somewhat reduced level as both sides geared up for the 6 May Presidential runoff. The Army, as it did during the first round, conducted aggressive sweep operations to keep the guerrillas off balance before returning to garrisons shortly before the balloting. The insurgents, for their part, conducted sporadic attacks and harassment actions throughout the period aimed at reducing voter turnout.

[REDACTED]

25X1

25X1

25X1

25X1

NICARAGUA

Political

Church-state conflict, heavy fighting with the insurgents, and the continuing threat of an election boycott have increased tensions and hardened positions between the Sandinistas and their internal opposition. In a speech in mid-April, Interior Minister Borge declared the entire country a war zone. On May Day, Agriculture Minister Wheelock—a Sandinista Directorate moderate—cautioned that the recent relaxation of some restrictions was being abused by "local reactionaries." Meanwhile, the US Embassy reports that Sandinista mobs resumed intimidation by disrupting the inauguration of a trade school by an opposition labor union. [redacted]

25X1

The Catholic bishops' call for a national dialogue between the government and all opposition groups—including the insurgents—clearly identified the Church with opposition parties and tended to confer some legitimacy on the guerrillas. Stung by this challenge, the regime responded with harsh denunciations of Archbishop Obando y Bravo and the Church hierarchy. Catholics demonstrated their support for Obando by turning out in large numbers for Good Friday services, and the procession was marked by some apparently spontaneous anti-government incidents. We believe the Church probably will speak out strongly on electoral freedom in coming months, making additional conflict likely. [redacted]

25X1

Recent Embassy reporting indicates that the political opposition believes that popular discontent over economic conditions, military conscription, and relations with the Church have strengthened its position, and it has assumed an increasingly hard line in dealing with the government. The largest opposition party, the Democratic Conservatives, has joined the opposition umbrella coalition. According to the US Embassy, the opposition was planning to give the FSLN a deadline for meeting demands it made last December for greater freedom, including suspension of press censorship and the state of emergency, dialogue with the insurgents, and separation of party and state. We believe the government will not meet most of those conditions and probably will proceed with the elections with or without the opposition. Nevertheless, the chairman of the Supreme Electoral Council recently indicated that the state of emergency may be relaxed on 2 July, and the regime could reduce press censorship after the Council of State approves a media law. Meanwhile, the Sandinistas have begun to solicit technical and material assistance for the balloting from Western Europe. [redacted]

25X1

Military

Clashes between government forces and anti-Sandinista insurgents—on the upswing in March—continued to increase during April and early May. Managua faced its most serious challenge to date when Eden Pastora's Democratic Revolutionary Alliance temporarily captured the small southeastern port of San Juan del Norte in mid-April. Although the Sandinistas downplayed the loss, [redacted] about 90 percent of the town's buildings were destroyed by Sandinista airstrikes and intense

25X1

25X1

25X1

25X1

ground fighting, which lasted for more than a week and finally dislodged the insurgents.

25X1

By early May, the Sandinistas appeared to be gaining the upper hand against Pastora's forces in heavy fighting along Nicaragua's southern border.

25X1

Nicaraguan military units were conducting cleanup operations near El Castillo, where heavy fighting had been reported.

25X1

25X1

The increased fighting in the south is likely to create additional border incidents involving Costa Rican security forces, particularly if the Sandinistas are successful in pushing large numbers of Pastora's forces back across the Rio San Juan.

25X1
25X1

Meanwhile, another large group of Miskito refugees fled to Honduras in fear of government retribution for insurgent attacks in the northeast. Other refugee reports of Army atrocities against the civilian population in southeastern Nicaragua indicate that the fears of the Miskito villagers were well founded. Other press accounts indicate that a dozen people were wounded in a dawn raid on the Sandinista Army post at Sumubila where the guerrillas allegedly burned the town's health center, a food warehouse, and other facilities.

25X1

In the north, the Nicaraguan Democratic Force—which launched a major new offensive in March—continued to press Sandinista forces across Jinotega and Nuevo Segovia during April. both sides sustained heavy casualties in the fighting, and in mid-April Interior Minister Borge publicly admitted that some 219 government troops had been killed. heavy fighting occurred around Waslala, with electrical service to Matagalpa temporarily cut. The road between Matagalpa and Jinotega also was closed temporarily by the Army due to insurgent actions, according to a US defense attache source. Insurgent leaders claimed to have some 2,000 armed members in Jinotega Department in early April.

25X1

25X1

25X1
25X1

Arms Buildup

Moscow and its allies continue to provide the Sandinistas with large numbers of military vehicles.

25X1

25X1

25X1

25X1

25X1

25X1

Finally, a US defense attache source of undetermined reliability recently claimed MIG fighter aircraft will be introduced into Nicaragua when construction of Punta Huete airfield is completed in October. The aircraft reportedly will be prepositioned in Cuba in June. [redacted] construction of the airfield has accelerated during the past few months, suggesting that an October completion date is realistic providing the weather remains favorable. [redacted]

25X1

25X1

GUATEMALA

Political

The political parties focused last month on last-minute registration and coalition-building for the constituent assembly election scheduled for 1 July. According to the US Embassy, some 20 political groups will be eligible for the voting. Although the electoral field is dominated by the established rightist and centrist parties that participated in the 1982 presidential election, several new left-of-center parties have been inscribed and other leftist groups are joining them in alliances. Most leftist groups have little financial backing and weak organizations, but one left-of-center alliance has been joined by Guatemala's largest trade union confederation. Meanwhile, the government says that over 2,200,000 voters have been registered and the total may have reached 2.5 million by the close of the registration drive on 10 May. [redacted]

25X1

We believe the participation of the democratic left—including some radical groups—will add credibility to the contest at home and abroad. Moreover, in our opinion, Mejia will try to insure the integrity of the election by maintaining government neutrality, by proscribing official abductions and assassinations of leftist politicians—even those linked to the guerrillas—and by encouraging a large voter turnout. Embassy reporting indicates the level of violence has increased over the last several months, but we judge that it will not undermine the election unless it is redirected against the left-of-center parties. A more difficult problem for the government may be getting out the popular vote, particularly in rural areas where Embassy reporting indicates little interest in the election. Nevertheless, a grassroots effort by the government to encourage participation could leave it vulnerable to charges of manipulating the voters, particularly the 800,000 or so Indians organized by the military into civilian defense patrols. [redacted]

25X1

Military

The various guerrilla groups are concerned about the impact of honest elections on

25X1

25X1

[redacted]

their own credibility, but disagreements on an election strategy reflect their lack of unity. [redacted] two of the major insurgent organizations have agreed to stop most operations during the campaign for fear of damaging the chances of the leftist parties. In our view, however, the insurgents' decision to permit the election to proceed unimpeded underscores their own inherent weakness. [redacted] all guerrilla groups have suffered substantial losses this year in the face of continuous government pressure. As a result, we believe their support and courting of several legitimate left-of-center parties is an attempt to retain some influence in an electoral process they are unable to discredit through widespread military actions. [redacted]

25X1

25X1

25X1

Economic

Guatemala and the IMF appear to be heading for a major confrontation. The Fund maintains that Guatemala has fallen out of compliance with agreed-on limits to its budget deficit, and warns that the remaining \$60 million in the country's standby agreement is in jeopardy. According to the US Embassy, the Fund is calling for a 10 percent tax hike, but Mejia and other senior officials have publicly repudiated tax increases. The Fund is also asking for an 11 percent spending cut, pointing to its own projections that current policies will cause a sharp deterioration in Guatemala's foreign exchange position later this year. Despite its worsening economic prospects, we do not believe the government will give in to the Fund easily, and the US Embassy indicates the confrontation could result in the ouster of some top financial officials. [redacted]

25X1

HONDURAS

Political

The forced resignation of General Alvarez last month is prompting some disquiet in the military. According to the US defense attache, some officers are concerned that the civilian-military collusion in Alvarez's removal portends increased civilian interference in military affairs. These concerns are aggravated by the perception that Alvarez's replacement, General Lopez, is a weak leader and that the civilian government has been lax in its tolerance of recent leftist demonstrations. In our judgment, these concerns partly reflect the widely held belief that the absence of Alvarez's strong personality has created a power vacuum in the armed forces and suggest that Lopez will have to assert his control more firmly to preclude the development of competing power centers. [redacted]

25X1

Alvarez's removal also has had regional repercussions, especially among those nations which viewed him as the main Honduran proponent of a strong anti-Sandinista policy. According to the US Embassy, a Nicaraguan representative approached a prominent Honduran businessman to convey Managua's willingness to seek a political accommodation with the Suazo government. The Embassy also reports that Panamanian Defense Chief Noriega served as a conduit for a similar message to Tegucigalpa from the

25X1

25X1

Castro regime. Unaware of the Nicaraguan offer, President Suazo rejected the Cuban proposal, and we judge he will not relax his stand against the Sandinistas.

25X1

Military

Tensions between Honduras and Nicaragua reached a new high after Sandinista forces shot down a Honduran helicopter on 8 May 1984, killing all eight occupants. Tegucigalpa publicly condemned the action, withdrew its ambassador for consultations, and declared Nicaragua's ambassador persona non grata. Nevertheless, the Hondurans admitted that the helicopter had strayed off course into Nicaraguan airspace. We believe that the Hondurans will not attempt to retaliate for the incident with any significant military action. In fact, Armed Forces Commander Lopez told the US defense attache that the military will continue to act with restraint on such issues. Nevertheless, additional aircraft shootdowns are possible as Managua improves its air defenses, and skirmishes along the border are likely to continue.

25X1

COSTA RICA

Political

Relations with Nicaragua deteriorated sharply in April as Costa Rican neutrality was increasingly jeopardized by fighting between Nicaraguan troops and anti-Sandinista insurgents along the countries' common border. Early in the month, following the discovery in Costa Rican territory of a wrecked aircraft allegedly transporting arms to Eden Pastora's insurgents, the Monge government—in an apparent effort to reduce tensions—returned its ambassador to Managua. Costa Rican security forces also raided Pastora's political offices in San Jose, where they confiscated arms, closed the group's radio station, and temporarily detained several followers. Meanwhile, the government attempted to underscore its neutrality by at least temporarily prohibiting the overland transit to Nicaragua of four launches which according to the US Embassy in San Jose, had been offloaded in Costa Rica by a French merchant ship because of the mining of Nicaraguan ports.

25X1

Several attacks by Nicaraguan troops against Costa Rican towns and border posts in the north since mid-April suggest that Managua sees Monge's efforts against the anti-Sandinista forces as cosmetic. On 2 May, Monge issued standing orders to his security forces to repel incursions with gunfire, and border guards have since returned hostile Nicaraguan fire on at least two occasions. In addition, Costa Rica has bolstered its border security with increased personnel and materiel, including antiaircraft weapons and mortars.

25X1

25X1

25X1

We believe Managua probably is anxious to avoid creating a pretext for US involvement on its southern flank, and by early May the Sandinistas were making some efforts to reduce tensions, according to US Embassy reporting. Nevertheless, the Sandinistas appear increasingly concerned over Pastora's operations along their southern

25X1

25X1

25X1

border, and we believe they will engage in further limited incursions against insurgent camps and units. They also are likely to continue their efforts to intimidate the Monge government, much as they have for the last two years.

25X1

Economic

Meanwhile, emergency disbursement of US aid funds relieved Costa Rica's second foreign exchange crisis this year. The IMF has accepted Costa Rica's letter of intent, according to the US Embassy, and two remaining preconditions on a \$56 million standby loan are likely to be worked out soon. Before San Jose will actually be permitted to draw on the funds, however, the IMF is insisting on two additional policy changes: a gas tax hike and maintenance of a "flexible"—i.e., devalued—exchange rate. We believe the former measure probably will win legislative approval despite strong opposition, but the Central Bank is likely to make only a token devaluation at best and persuade the Fund to ease off somewhat on a devaluation requirement. Nevertheless, failure to do so will virtually assure recurrent foreign exchange crises.

25X1

PANAMA

Political

Officials of the Electoral Tribunal announced on 16 May—some 10 days after voters went to the polls to select their first civilian head of state in 16 years—that progovernment candidate Nicolas Barletta had edged out perennial opposition nominee Arnulfo Arias by only 1,713 votes. The government-controlled Tribunal was charged with naming the winner when national counting board members could not reach a decision on the numerous returns challenged by both major coalitions.

25X1

By raising enough challenges to throw the election into adjudication, Defense Forces Commander Noriega evidently believed that he could ensure Barletta's victory, while maintaining a facade of legitimacy for the balloting.

25X1

The US Embassy later reported that only the president of the Tribunal, who is not considered sympathetic to the government, dissented in the decision to name Barletta the winner.

25X1

The close vote—less than 1 percent separated the two major contestants—almost certainly has reinforced the opposition's belief that the government used fraud to ensure Barletta's victory. The Embassy reports, for example, that supporters of Arias may now ask citizens to withhold utility and other payments to the government in protest. They also are considering sending letters to US officials and members of the international press about their concern over electoral fraud by the government. The opposition

25X1

25X1

25X1

previously had threatened to call for a general strike if it lost, but more moderate leaders may encourage Arias to refrain from inciting action against the government until the results of the 67 legislative races—still delayed by appeals—are known. Nevertheless, early clashes between the two sides resulted in one person killed and more than 40 injured, and more violence could occur. While the Defense Forces have been patient in dealing with the sporadic outbursts, we believe they will feel less constrained now that Barletta's victory has been assured.

25X1

Meanwhile, as many as seven of Panama's 15 legally registered parties could fail to obtain the 3 percent of the total vote that is needed to retain their legal status, according to the Embassy. The leftist parties probably will be hurt the most by the 3 percent-rule, but several of them could make a deal with the government to maintain their legal standing.

25X1

Meanwhile, the generally poor showing of the left in the elections, the controversy surrounding Barletta's victory, and the possibility of an opposition boycott, are likely to reduce voter participation in local elections scheduled for 3 June.

25X1

REGIONAL PEACE NEGOTIATIONS

Regional peace talks continued to make slow progress amid signs of growing disillusionment by Venezuela and Colombia, and a Mexican threat to abandon Contadora if future sessions bog down. Meetings of the political, military, and economic working commissions came to a standstill in early April after the Sandinistas unsuccessfully attempted to introduce a resolution condemning US aggression. Nevertheless, the Central Americans were able to comply with the 30 April deadline to forward their suggestions for a draft treaty. All nine foreign ministers met in Panama at month's end to send the working commission reports to the four Contadora countries for synthesis into a single document.

25X1

According to Mexican foreign Minister Sepulveda, the Contadora mediators will make some final recommendations and offer alternatives in areas where there is no consensus. The Mexicans believe these will include non-judicial political agreements, and they apparently plan to push for some bilateral treaties. The Contadora foreign ministers plan to travel to the Central American countries in early June to present their proposals.

25X1

The four Contadora foreign ministers also met in Caracas in early April because of their concern about the mining of Nicaraguan harbors. They issued a communique urging greater cooperation with regional peace talks and drafted demarches to the US, Cuba, Nicaragua, and Honduras. According to the Mexican Foreign Minister, as of early May the Cuban demarche had not been delivered. While the letter to the US was not abrasive, the demarche to the Sandinistas explicitly requests they close the Salvadoran

25X1

25X1

25X1

logistic and communications center, and that the regime take steps to assure free elections and genuine nonalignment. While several participants have said that no decision was made to bring the US and Cuba into the Contadora discussions, Panamanian Foreign Minister Ortega told the US Embassy that individual Contadora members may make "frank representations" about the need for US-Cuban dialogue. Moreover, the group as a whole is likely to approach both countries to request them to support a treaty.

25X1

COMING EVENTS IN CENTRAL AMERICA

EL SALVADOR	1 June	Inauguration of President-elect Duarte.
	30 June	Decree 207, Phase III of the Land to the Tiller Agricultural Reform, expires unless renewed by the Assembly.
NICARAGUA	2 July	Sandinista proposed date for lifting the State of Emergency and allowing limited campaign activities.
GUATEMALA	1 July	Constituent Assembly Election.
HONDURAS	late May- mid June	Grenadero I, Second Phase of joint exercises between US and Honduras.
COSTA RICA	29 May- 28 June	President Monge to visit 11 European countries.
PANAMA	3 June	Mayoral and Municipal Elections.
	late June	Defense Forces Commander Noriega to visit France.
CONTADORA	early June	Contadora Foreign Ministers to visit Central American countries to present peace recommendations.

25X1

25X1

Page Denied

Next 3 Page(s) In Document Denied